



SUPPORT QBS EXPANSION

A.5750 (Benedetto)/S.5600 (DeFrancisco)

The American Council of Engineering Companies of New York (ACEC New York), an organization representing 280 engineering firms that collectively employ more than 20,000 people in New York State, urges the Legislature to pass **A.5750 (Benedetto)/S.5600 (DeFrancisco)**, which expands the use of Qualifications-Based Selection (QBS) procurement methods to include public authorities and public benefit corporations as well as its use by New York City agencies.

QBS, a procurement process widely used throughout the state and the country, designates superior qualifications and experience as the paramount basis for selecting engineering and architectural professionals for public facilities projects. QBS provides the public owner with the most qualified firm who can deliver the best design to meet the needs of the project.

Consistently resulting in first-rate design and construction and, in the long run, saving taxpayers millions of dollars, QBS:

- Allows agencies to select the design firm with the best experience, capabilities, technical approach and quality of personnel, matched to the needs of the project and the agency
- Generates better plans and specifications, resulting in higher quality contract documents that make bidding on and carrying out construction easier
- Fosters the development of innovative, cost-effective design solutions at a fair market value, resulting in lower overall project costs; minimizing delays, cost overruns and litigation; and lowering operating and ownership costs
- Generates design solutions that best meet the needs of the project, emphasizing public health, safety and quality of life

Cost-based procurement, which focuses primarily on price, may sometimes result in a lower *initial* design cost, but QBS generates a better project with lower *overall* costs--from design through construction to ongoing operation and maintenance. A recent study by ACEC shows that the use of QBS for public projects produced lower project costs and reduced schedule. Moreover, the rate of change-orders decreased from 10% to 3% on average, and 3% schedule growth compared to the industry average of 8.7%.

It is important, however, to remember that price *is* a factor in QBS. Unlike cost-based procurement, with QBS price comes into play later in the selection process, after the highest technically ranked firm is selected and the project scope is fully defined. QBS generates a realistic fee based on a fee proposal by the consultant and negotiations with the agency. If an agency cannot negotiate a fair price with the first choice of consultant, it has the option to negotiate with the next highly qualified consultant.

In 1972, through the passage of the Brooks Act, QBS was officially mandated for virtually all federal projects. QBS was also mandated in 46 states, including New York State, which in 1980 passed Section 136-a of the State Finance Law to codify a QBS process that had not been used in the state for many years. All state agencies use QBS as standard policy, as do many counties, towns, cities and villages throughout the state and country.

There are good reasons why QBS is the preferred procurement process throughout the U.S. and in much of New York State. Quite simply, it works. And its success has been proven in project after project--in New York State and around the country.